

October 16, 2017

The Honorable Paul D. Ryan
Speaker of the House of Representatives
House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Minority Leader
House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Speaker Ryan, Senator McConnell, Senator Schumer, and Representative Pelosi:

Tax reform legislation is long overdue and much needed to accelerate and sustain our nation's economic growth. While you are rightfully focused on the major components of a legislative package, there is one issue of particular interest to Purdue University and the students and families we serve that we hope will be included.

Three years ago, we took a calculated risk at Purdue and set up our own Income Share Agreement (ISA) program known as "Back a Boiler". With approval from the Purdue University Board of Trustees, Purdue Research Foundation moved forward with plans to offer "Back a Boiler" – ISA Funds to Purdue students as an innovative alternative to traditional loans.

Purdue's "Back a Boiler" program offers students and their families an alternative financing option in which a student receives education funding in exchange for an agreed-upon percentage of post-graduation income over a set number of years. An ISA has no principal balance or interest, so its payments adjust with the student's income over the life of the contract and payments do not begin until the student is employed and earns a minimum annual salary of \$20,000. "Back a Boiler" looks forward to earnings potential of future graduates, not backward at student's family financial history.

We have received many inquiries from colleges and universities interested in our program. However, without a regulatory framework with clear protections for students and potential funders, "Back a Boiler" will remain a pilot program.

Income Share Agreements should be recognized as an alternative tool for students, especially those who depend on costly private and Parent PLUS loans. Allowing ISA markets to grow will not authorize or eliminate any federal programs, and will not add to the federal deficit, but will provide another cost-effective option.

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Purdue's commitment to student affordability is unprecedented and "Back a Boiler" contributes to our efforts. The overall cost to attend Purdue is lower than it was in 2012 and we continue to hold tuition flat, decrease the cost of textbooks with a unique Amazon.com partnership and have reduced the costs of meals for students living on campus. All while continuing our record breaking investment in faculty, staff and world-changing research.

We hope tax reform legislation will include bi-partisan supported language from *S. 268 Investing in Student Success Act* and *H.R. 3145 Investing in Student Achievement Act* to provide the clarity needed to grow this innovative financing mechanism and continue to open the doors of higher education to every American, regardless of where they begin their American dream.

Sincerely,

A handwritten signature in black ink, reading "Mitch Daniels". The signature is fluid and cursive, with the first name "Mitch" and last name "Daniels" clearly distinguishable.

Mitchell E. Daniels, Jr.
President